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CENTRAL INTELLIGENCE AGENCY

REPORT

INFORMATION REPORT

CD NO.

COUNTRY

Czechoslovakia

DATE DISC 24 March 1954

SUBJECT

1. Conversion to Consumer Goods Production
2. Pre-Induction Examinations
3. Failure of Agricultural Cooperatives

NO. OF PAGES

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ACQUIRED

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DATE OF
INFO.

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THIS IS UNEVALUATED INFORMATION

1. The production of parts for MIG-15s in the Vitkovice Iron Works, Moravske Budejovice¹ (050/R88) was to cease at the end of 1953. The plant was to be reorganized for the production of agricultural machinery. [redacted] the plant the production of aircraft parts had to be stopped because of lack of duralumin.
2. In December 1953 supplementary pre-induction physical examinations took place in the district of Moravske Budejovice.² All men up to 55 years of age with no previous military service were re-examined. [redacted] Out of this group 19 men were declared fit for military service and only one, who was humpbacked, was rejected.
3. A slump in agricultural production caused some retrogressive measures to be taken to partially remedy the situation.
 - a. The farm youth which were previously encouraged to leave farms and take up employment in factories were being forced to return to their farms as of 1 January 1954. This will bring additional hardship to smaller farmers who, under the prevailing conditions, cannot earn enough to support themselves.
 - b. In the fall of 1953 the Government slackened the pressure for the formation of agricultural cooperatives and allowed those members who wished to leave their cooperatives to do so. The [redacted] which went bankrupt. The bank refused to lend more money to the cooperative and the members decided to dissolve the cooperative. No authorities hindered the dissolution nor decided who will pay the cooperative's debts as the former members became impoverished and were unable to pay. [redacted] that agricultural cooperatives are financially impractical for the Government for the following reasons:

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- (1) The cooperatives are heavily indebted and unable to pay the debts, as loans were not used for capital investments but for covering running expenses.
- (2) The cooperatives, because of lack of expert management and disinterest of members, are poorly managed and do not meet prescribed production targets. The Government is unable to press for reprisals for undelivered quotas as it does in the case of individual farmers.

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1. [redacted] Vitkovické železárny Klementa Gottwalda, plant in Porávkové Budejovice, is the former Agrostroj, a plant producing agricultural machinery. [redacted]

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2. [redacted]

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